



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/03/2026

Time: 02:00 PM

Location: 308 VIA VIDEOCONFERENCE

Committee: FIN

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Title of Bill: HB2345, HD1, RELATING TO SCHOOL FACILITIES.

Purpose of Bill: Requires the School Facilities Authority to establish geographically based capital improvement project districts for the localized management of deferred maintenance. Transfers all deferred maintenance functions, funds, and vacant facilities development branch positions from the Department of Education to the School Facilities Authority. Appropriates funds. Effective 7/1/3000. (HD1)

Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to provide comments in opposition to HB 2345, HD 1. While the Department shares the Legislature's commitment to modern, safe, and well-maintained learning environments statewide, this measure duplicates existing systems and would fragment a statewide structure that is functioning and continually improving.

The bill assumes that the backlog of deferred maintenance is a result of organizational centralization; however, the factors driving the backlog, including the age and complexity of facilities, evolving building codes, and historical fluctuations in funding, are not organizational in nature and are common challenges across public agencies and are not the result of the Department's organizational structure.

The bill also presumes that localized, district-based management does not currently exist. The Department clarifies that this approach is already in operation. Our deferred maintenance program is organized around geographically based school districts, supported by the Facilities Maintenance Branch on Oahu and the Department of Accounting and General Services crews on the neighbor islands. District Project Coordinators serve as school-facing extensions of the Department, providing on-the-ground coordination and responsiveness while remaining fully integrated into statewide prioritization and compliance systems.

This hybrid model, local coordination within a consistent statewide framework, balances statewide equity for all schools while leveraging economies of scale and shared expertise. It already delivers the responsiveness and local engagement that HB 2345, HD 1 seeks to create, without introducing a new, duplicative authority that would introduce and increase complexity, confusion, reduce efficiency, and create parallel

systems competing for resources.

For these reasons, the Department respectfully opposes HB 2345, HD 1.

JOSH GREEN, M.D.
GOVERNOR



RIKI FUJITANI
EXECUTIVE DIRECTOR



Hawai'i School Facilities Authority

2759 S. KING STREET, ROOM H201
HONOLULU, HAWAII 96826

House Committee on Finance

March 3, 2026
2:00 PM

Hawai'i State Capitol, Room 308

House Bill 2345 House Draft 1, Relating to School Facilities

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The Hawai'i School Facilities Authority (SFA) offers comments on House Bill 2345, House Draft 1, which would require the SFA to establish geographically based capital improvement project districts for the localized management of deferred maintenance and would transfer all deferred maintenance functions, funds, and vacant Facilities Development Branch positions from the Department of Education (DOE) to the SFA, as intended and contemplated in Act 72, SLH 2020.

The SFA is committed to modernizing Hawai'i's public school environments to enhance educational outcomes, support student and staff well-being, and strengthen communities statewide. HB 2345 HD1 is of significant interest to the SFA because it proposes localizing the management of deferred maintenance, a critical and ongoing challenge affecting school facilities across the State.

Facilities management best practice defines deferred maintenance as the postponement of necessary repairs, replacements, and renewal work on buildings, infrastructure, and physical assets due to budget limitations or funding constraints. Deferred maintenance represents accumulated repair and renewal needs that remain unaddressed over time and may increase future costs, operational risks, or facility deterioration if not resolved. These needs are identified and quantified through facility condition assessments conducted by qualified architects, engineers, and building

inspectors to evaluate building systems, identify deficiencies, and develop cost estimates.

Based on the foregoing, we recommend amending the definition of “deferred maintenance” (Page 4, Lines 3-6) to mean “the repair, replacement, or renewal of a department-owned building, facility, or other improvement that has been delayed past the ordinarily scheduled repair and maintenance cycle and may result in increased future costs, operational risks, or significant facility deterioration if left unaddressed; provided deferred maintenance shall not include routine, low-cost maintenance or minor repairs typically addressed through a standard operational budget appropriation.”

By establishing geographically based capital improvement project districts, this bill enables a more localized and responsive approach to managing deferred maintenance. Under the current structure, deferred maintenance activities are largely administered from O‘ahu, including for neighbor island schools. HB 2345 HD1 would allow for regional oversight and management closer to the affected facilities, improving response times, strengthening coordination with school communities, and enhancing accountability for project execution and resource stewardship.

If the Legislature determines that responsibility for a locally managed deferred maintenance program should be transferred from the DOE to the SFA, adequate transition resources will be essential. **To implement and administer this program effectively within the SFA, we request the authorization of at least seven positions exempted from civil service requirements.** This exemption is necessary to ensure timely hiring, maintain operational continuity, and support the specialized technical and program management functions required for deferred maintenance delivery.

We note that the Legislature typically appropriates funding for deferred maintenance to the DOE as a **capital improvement program lump sum**. This measure contemplates that the existing lump sum appropriation currently appropriated to the DOE would be transferred to the SFA to support administration and implementation of the deferred maintenance program.

Mahalo for the opportunity to testify.

Sincerely,

Riki Fujitani
Executive Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

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The Thirty-Third Legislature, State of Hawaii
House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association

March 3, 2026

H.B. 2345, H.D. 1 – RELATING TO SCHOOL FACILITIES

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on H.B. 2345, H.D. 1, which requires the School Facilities Authority (SFA) to establish geographically based capital improvement project districts for the localized management of deferred maintenance.

We recognize and respect the Legislature's desire to have a centralized system for managing school capital improvement projects. Greater efficiency, accountability, and responsiveness to deferred maintenance projects are ones we fully support. However, this measure does not clearly define the authority, decision-making power, or operating scope of the School Facilities Authority (SFA) in relation to the Department. Add to that the role of the Department of Accounting and General Services which is involved in neighbor island school projects.

Without clear statutory delineation, this bill risks deepening the confusion and misalignment that already exist between these entities. Our members continue to experience inconsistent communication, unclear roles, and overlapping responsibilities between the SFA and the Department. Creating geographically based capital improvement project districts will just add another layer of bureaucracy.

For these reasons, we respectfully request that the Legislature refine this measure to ensure clear, non-overlapping definitions of authority and responsibility between the SFA, DOE, and DAGS, formalized processes for communication, coordination, and shared decision-making; and transparent accountability structures that prevent duplication, enhance efficiency, and a clear transition plan to ensure that students, schools, and communities receive the timely facilities improvements they have been promised.

Our members are committed to supporting safe and modern learning environments. To do that effectively, we need legislation that strengthens—not complicates—the governance structure guiding our public school facilities.

Thank you for the opportunity to provide comments on H.B. 2345, H.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



UNITED PUBLIC WORKERS

AFSCME Local 646, AFL-CIO

**HOUSE OF REPRESENTATIVES
THE THIRTY-THIRD LEGISLATURE
REGULAR SESSION OF 2026**

COMMITTEE ON FINANCE
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

Tuesday, March 3, 2026, 2:00 PM
Conference Room 308 & Videoconference

Re: Testimony on HB2345, HD1 – RELATING TO SCHOOL FACILITIES

Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

The United Public Workers, AFSCME Local 646, AFL-CIO (“UPW”) is the exclusive bargaining representative for approximately 14,000 public employees, which includes blue collar, non-supervisory employees in Bargaining Unit 1 and institutional, health, and correctional employees in Bargaining Unit 10, in the State of Hawaii and various counties.

UPW provides **comments** on HB2345, HD1, which requires the School Facilities Authority (“SFA”) to establish geographically based capital improvement project districts for the localized management of deferred maintenance.

UPW appreciates the Legislature’s continued efforts to address the deferred maintenance of Hawaii’s public school facilities, but we are concerned that establishing separate geographically based project districts may unintentionally undermine the efficiency, accountability, and responsiveness this bill hopes to generate. It is likely that without communication, coordination, and clearly defined authorities between DOE, SFA, and, in the case of neighbor island deferred maintenance projects, the Department of Accounting and General Services (“DAGS”), this legislation could worsen delays.

UPW is also concerned that the maintenance work, which had historically been performed by public workers, may be contracted out to the private sector without clearly defined responsibilities between DOE, SFA, and DAGS. UPW members remain committed to properly managed and maintained educational facilities, but we do not believe this legislation is the appropriate path forward.

Mahalo for the opportunity to testify on this measure.

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Toll Free - *Molokai/Lanai only*

To: House Committee on Finance
Re: HB 2345 HD1-Relating to School Facilities
Hawai'i State Capitol room 309 & Via Videoconference Friday,
February 12, 2026, 2:00 PM

Dear Chair Woodson, Vice La Chica, and Respected Committee Members,

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, we respectfully submit **STRONG SUPPORT for HB 2345 HD1.**

Every child in Hawai'i deserves to learn in a safe, healthy, and well-maintained school. Yet too many of our public school campuses continue to struggle with significant deferred maintenance needs; from leaking roofs and outdated electrical systems to inadequate ventilation and aging classrooms. These facility challenges directly impact student learning, educator retention, and overall school climate.

HB 2345 HD1 takes an important step toward addressing these longstanding issues by fully implementing the intent of Act 72 (2020). By transferring deferred maintenance functions, funding, and relevant positions from the Department of Education to the School Facilities Authority and by establishing geographically based capital improvement project districts this measure strengthens accountability, responsiveness, and project delivery.

Localizing project oversight under the SFA will allow decisions to be more closely aligned with community needs. Schools across different islands and regions face unique challenges. A geographically based structure ensures that maintenance priorities are identified and addressed more efficiently and equitably, rather than being delayed within a centralized system.

Importantly, this bill also supports transparency and fiscal responsibility. Consolidating deferred maintenance functions under a dedicated authority with focused expertise can streamline project management, reduce bottlenecks, and improve outcomes for taxpayers and students alike. When school repairs and improvements are completed on time and within budget, communities gain greater confidence in public systems.

For HCAN Speaks!, school facilities are not simply infrastructure, they are foundational to child well-being and educational equity. Students cannot fully thrive in environments that are unsafe, unhealthy, or in disrepair. Modern, well-maintained campuses contribute to consistent attendance, stronger teacher morale, and better learning outcomes. Ensuring that facilities are properly managed and maintained is a critical investment in Hawai'i's keiki.

For the sake our keiki, our taxpayers, and our kuleana to our communities we humbly request that this committee pass HB 2345 HD1.

Mahalo for the opportunity to testify in **STRONG SUPPORT of HB 2345 HD1.**